

# Attachment 1: Officials' Consultation Paper – Stakeholder feedback template

## Submission from Bioenergy Australia

Bioenergy Australia (BA) commends the Department of Industry, Science, Energy and Resources on the revision of the National Gas Law (NGL), National Energy Retail Law (NERL) and regulations to support the development of renewable gas industries including hydrogen and biomethane. We support the approach to make amendments that futureproof the NGL and NERL to support OG products over time whilst minimising unintended consequences.

BA agree that there is currently ambiguity in the NGL regarding the definition of natural gas and its application to biomethane and support amendments that enable the development of projects injecting biomethane into the grid. BA is keen to see a regulatory environment developed that is supportive of new project development, and not so restrictive that it stifles industry growth.

BA will answer selected questions from the consultation as relevant.

## Chapter 4: Extending the NGL and NERL to natural gas equivalents

No.	Questions	Feedback
<b>Section 4.3: Potential approach to extending the NGL</b>		
<b>Section 4.2.1: Extension to NG equivalents and related facilities and activities</b>		
1	What are your views on the potential approach to extending the application of the NGL to NG equivalents and related facilities and activities? Are there any other approaches that you think would better achieve the objectives of Energy Ministers (see section E.3)?	BA support the potential approach identified to extending the application of the NGL to NG equivalents and related facilities and activities.
2	What are your views on the policy intention to enable all elements of the national gas regulatory framework to apply to NG equivalents and their related facilities and activities in the same way that they do to natural gas?	BA are supportive of policy interventions aimed at enabling all elements of the national gas regulatory framework to apply to NG equivalents and their related facilities and activities in the same way that they do to natural gas.  It is the priority of BA that policies do not impede industry growth or stifle project development. With that in mind, we seek consideration of the impact that ring fencing requirements will have on trial projects. It is likely that the costs of meeting such requirements would impede investment in this space. We request consideration of a new mechanism, such as exemptions for low risk trial and demonstration projects.
3	What are your views on the NGL requiring jurisdictions to make a local regulation to confirm when a gas or gas blend authorised for supply through a pipeline (or part of a pipeline) is an NG equivalent?	We are supportive of this approach but request a consistent approach be applied by jurisdictions in making their regulations.

No.	Questions	Feedback
4	Who is likely to operate the blending facilities involved in the creation of NG equivalent blends?	<p>For projects where the blending unit is at the production facility and used specifically for that facility, it is likely for the producer to own and operate the blending unit involved in the creation of the NG equivalent.</p> <p>Alternatively, where the blending facility is located downstream near the distribution injection point servicing multiple production facilities, the gas distributor or another third party could own and operate the blending unit. It may be reasonable for the gas distributor to operate the unit, particularly in circumstances where it has been given operational control to manage blending constraints, monitoring of gas quality specifications and setting and ensuring the safety and technical requirements of the rules and relevant state legislation are met.</p>
5	Do you think blending facilities should be subject to the same economic regulatory framework that applies to pipelines? Please explain your response to this question.	<p>No, we do not think that blending facilities should be subject to the same economic regulatory framework that applies to pipelines. We suggest that blending facilities remain outside the regulated framework as is currently the case.</p> <p>Blending facilities are private enterprises with unique site-specific economics. They should be treated similar to a refinery producing fuel for the market- ie. outside of the framework that applies to pipelines and utilities of public good.</p>
6	Are there any specific physical characteristics of NG equivalents or the supply chain for these products that you consider should be taken into account when extending the natural gas regulatory framework to NG equivalents?	Yes, BTU content and purity of the gas should be consistent with current grid specifications.
7	Are there any other observations you would like to make about the potential approach to extending the application of the NGL to NG equivalents and related facilities and activities?	No
8	Are there any other changes that you think need to be made to the NGL to accommodate NG equivalents and related facilities and activities?	None that we can think of
<b>Section 4.2.2: Extension to constituent gases and related facilities and activities</b>		
9	What are your views on the proposal to amend the NGL to enable the national gas regulatory framework to apply to the constituent gases and related facilities and activities involved in the supply of NG equivalents (where appropriate to do so) set out in section 4.2.2?	We are very supportive of the amendment proposal.
10	What are your views on the proposal that pipelines involved in the transportation of a constituent gas (e.g. a hydrogen pipeline) be subject to economic regulation under the NGL and NGR?	None tha
11	Are there any other observations you would like to make about the potential approach to extending the application of the NGL to constituent gases and related facilities and activities?	No

No.	Questions	Feedback
12	Are there any other approaches that you think would better achieve the objectives of Energy Ministers (see section E.3)?	None that we can think of
13	Are there any other changes that you think need to be made to the NGL to accommodate constituent gases and related facilities and activities?	None that we can think of
<b>Section 4.2.2: Extension of market bodies' functions and powers</b>		
14	<p>What are your views on the potential approach to extending market body functions and powers set out in section 4.2.3 to:</p> <p>(a) NG equivalents and related facilities and activities?</p> <p>(b) constituent gases and related facilities and activities?</p>	We agree with the approach to extend market body functions and powers to: (a) NG equivalents and related facilities and activities? (b) constituent gases and related facilities and activities?
15	Do you think arrangements are needed for distribution pipelines attached to the DWGM and STTM to provide for independent management of blending limits (or gas specification requirement) imposed by a jurisdiction? If you think AEMO or another third party should be responsible for this function, please explain what costs and benefits you think would be associated with it doing so.	The current framework for gas distribution pipelines reflects the separation of technical and economic regulatory functions. Jurisdictions are responsible for technical regulation of gas (including safety), and they therefore have the function and responsibility to set the gas quality specification. This regime works successfully and we do not see any reason for a different framework to apply in relation to renewable gases. It would be inappropriate for an economic regulatory body such as AEMC or AEMO to assume a technical regulatory function, and creation of a new body to perform this function will involve additional cost and complexity with no benefit.
16	Are there any other changes to market body functions and powers required to accommodate NG equivalents, their constituent gases, or related facilities and activities?	None that we can think of
17	Are there any other approaches that you think would better achieve the objectives of Energy Ministers?	None that we can think of
<b>Section 4.3: Potential approach to extending the NERL</b>		
18	What are your views on the potential approach to extending the application of the NERL to NG equivalents set out in section 4.3?	We are in support of the potential approach to extending the application of the NERL to NG equivalents.
19	What are your views on the potential approach to extending the AER's and AEMC's functions and powers under the NERL to NG equivalents set out in section 4.3?	We are in support of the potential approach to extending the AER's and AEMC's functions and powers under the NERL to NG equivalents.
20	Are any other changes to the NERL or the market bodies' functions and powers under the NERL required to accommodate NG equivalents?	None that we can think of
21	Are there any other approaches that you think would better achieve the objectives of Energy Ministers (see section E.3)?	None that we can think of

## Chapter 5: Accommodating other gas products in the NGL and NERL over time

No.	Questions	Feedback
22	What are your views on the potential approach to allowing the NGL to accommodate OG products over time, as described in section 5.1?	We support the potential approach to allowing the NGL to accommodate OG products as a 'future proofing' exercise.
23	Could amending the NGL in the manner described in section 5.1 lead to any unintended consequences? If so, please explain what those unintended consequences may be.	We cannot foresee any unintended consequences at this stage.
24	What are your views on the proposal to apply the economic regulatory provisions to pipelines involved in the haulage of OG products and their constituent gases?	We do not object to the proposal to apply the economic regulatory provisions to pipelines involves in the haulage of OG products and their constituent gases.
25	Are any other changes to the NGL required to accommodate OG products?	None that we can think of
26	Are there any other approaches that you think would better achieve the objectives of Energy Ministers (see section E.3)?	None that we can think of
27	What are your views on the potential approach to allowing the NERL to accommodate OG products, as described in section 5.2?	We support the potential approach to for all parts of the NERL that apply to natural gas to extend to OG products.
28	What are your views on the second potential approach to allowing the NERL to accommodate OG products, as described in section 5.2?	No comment
29	Could amending the NERL in the manner described in section 5.2 lead to any unintended consequences? If so, please explain what those unintended consequences may be.	None that we can think of
30	Are any other changes to the NERL required to accommodate OG products?	None that we can think of
31	Are there any other approaches that you think would better achieve the objectives of Energy Ministers (see section E.3)?	None that we can think of